FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 001 *2 January 1981*

ARGENTINA

President Videla Grants Exclusive Interview [ELEVTHEROS KOSMOS 28 Dec] B 1
Briefs: French Tax Agreement; End of Antarctic Campaign; Naval Transport B 6

BOLIVIA

Garcia Meza Says Promotion Report 'Not True' [EL DIARIO 30 Dec] C 1
Bishops Comment on Closure of Catholic Paper C 1
Commercialization of Coca in Santa Cruz Prohibited C 1

BRAZIL

Newspaper Views Army Disciplinary Regulation [JORNAL DO BRASIL 28 Dec] D 1
O ESTADO DE SAO PAULO on Farhat 'Downfall' [19 Dec] D 1
Briefs: Trade With Algeria D 2

CHILE

President Pinochet Addresses Nation at Year's End E 1
Leftist Group Claims Responsibility for Holdups E 4
Egyptian Foreign Minister Expected 8 January E 4

URUGUAY

DINARP Communique Reveals Subversive Plot K 1

PANAMA

Royo Discusses 1980 Events, Canal, Future Plans N 1
Officer on National Guard's Governmental Role N 3

CENTRAL AMERICA

EL SALVADOR

Government Denies Violation of Honduran Airspace P 1
Duarte To Make Tour To 'Explain' Government Plans P 1
'Military Justice' for Subversion P 1
Comments on Violence [LA PRENSA GRAFICA 31 Dec] P 2
Gutierrez Says People Desire End to Violence [EL DIARIO DE HOY 31 Dec] P 2
Army Denies Reported Occupation of Towns [EL DIARIO DE HOY 31 Dec] P 3
No Currency Devaluation Foreseen by Bank President P 3
FDR, FMLN Discussing 'Democratic Government' P
FMLN's Cayetano Carpio Comments on Future Plans P
FDR Calls for World Port Boycott of Products [Havana] P 5

GUATEMALA

Army Spokesman Notes Need for Radar, Weapons P 6

HONDURAS

Constituent Assembly Takes 'Austerity Measures' P 6
Committee To Delimit Salvadoran Border Set Up P 7
Church Official Calls For Social Changes P 7

NICARAGUA

National Unity Committee Discusses 1981 Plans P 8

CUBA

Havana Airs Commentaries on Central America Q 1
Salvadoran Struggle Q 1
Sandinist Achievements Q 2

CARIBBEAN

DOMINICAN REPUBLIC

Former PRD Leader: Guzman Will Not Be Reelected S 1

JAMAICA

Manley Accepts Canadian Research Fellowship S 1
Small Urges Firm Stand on IMF Loan Conditions S 1

PRESIDENT VIDELA GRANTS EXCLUSIVE INTERVIEW

AT291930 Athens ELEVTHEROS KOSMOS in Greek 28 Dec 80 p 7

["Exclusive" interview with Argentine President General Jorge Videla by correspondent Alexandra Stefanopoulou in Buenos Aires sometime in December]

[Text] Question: Argentina's recent history has been a succession of dictatorships interrupted by short democratic periods. In your opinion, what is the basic reason for this political instability?

Answer: I believe that, before I reply to this question, I must first make a clarification so that an assessment contrary to national historic realities can be avoided. What has happened in our country has not been a series of dictatorial and democratic governments. We have alternated between political governments--which ended their rules with unbearably weak situations because of their increasing tendencies toward demagogy--and military governments--which slowly degenerated because their only purpose was to restore order through law. Thus, the constant fluctuation produced various political solutions, but all of them reflected an internal instability which, in the end, deprived democracy of the possibility of having lasting, stable institutions.

The reasons for the instability of Argentina's political institutions are many and complex. The most significant should be mentioned: The individualism of leaders and the lack of political maturity or unity among groups and social classes. All of these elements weakened the democratic institutions upon which the state of Argentina has been founded.

Our nation is a mixture of races, a dissimilar society that protects and maintains very diverse sociopolitical ideas and interests. As a natural and necessary concomitant, this dissimilar aggregate entered the ancient game of acquiring power but took the wrong road. In Argentina, this activity, this political game--during long periods of its history--was dominated by individualism, an individualism which at various levels of political leadership compiled a history of chiefs and great leaders who, with very few exceptions, did not lay the foundations for lasting institutions but, on the contrary, used existing institutions as one more element to maintain their power.

On the other hand, political groups and social classes did not have the adequate maturity or political conscience to oppose or avert similar situations. It should be added that there has never been a true national unity which, if based on real values and aims such as--among other things--the defense of higher institutions, could guarantee their [the institutions'] strength. Consequently, institutions became simple instruments which could be discarded when not needed, therefore, they lost their strength.

For this reason, at a time of serious crisis the only possible change away from these weakened institutions was the armed forces which undertook the state government not to install dictatorial systems, not to satisfy personal aspirations for power, but to end this conflicting sociopolitical situation.

Our recent history is an example of this reality when none of the existing institutions could offer or propose a correct solution to confronting terrorism and the complete lack of authority.

In facing this anarchic situation and the danger of the total dissolution of the state of Argentina, the armed forces, as the only alternative institution remaining in force, undertook the government and proceeded toward national reorganization.

This process aims to put an end to these political and military fluctuations by striking at the true roots of evil. The process of national reorganization not only will restore the institutions but will strengthen their power, will favor the election of capable leaders, and will encourage the political maturity and unity of all citizens.

Question: The armed forces undertook the country's government 4 years ago, promising the restoration of democracy. Do you believe that they will keep their promise? What is the current situation after 4 years of military government and is it possible to fix a date for the restoration of democracy?

Answer: The restoration of democracy by the government of the armed forces is not only a possibility but an essential facet. Anyone who knows our country's reality has not the slightest doubt that Argentina is now a country on the road to democracy.

Following a period that was necessary to restore the order which had been shaken because of the economic political and social chaos in which this country had been living when the armed forces took over the government, we are now passing through a political period, a democratic and institutional stage which aims to establish a truly strong and stable democratic, representative and federal system.

We began this stage when at the end of 1979, we published the political theory of the armed forces for the process of national reorganization. In this theory, the armed forces noted those institutions which, in their opinion, are those on which the future of Argentina should be based. A dialogue has begun between the government and various national classes to allow the public to express its views on this issue.

During the dialogue that currently is taking place, we are noting the agreements and the disagreements, the appearance and renewal of men and ideas. These elements will allow the establishment of various kinds of viewpoints which in due course will become worthy political alternatives in the current process of national reorganization.

When the great flow of viewpoints is fully assessed, the law on the structure of political parties will be approved.

Furthermore, we Argentine citizens are strengthening our unity while recognizing the mistakes of the past and expressing our best wishes for Argentina in the future.

When national unity is implemented and the political party structure is laid down, then it will be possible to begin the electoral process that will certainly end in the democracy which all Argentine citizens hope to have. I cannot fix a date for implementation of this goal. This process will restore democracy as soon as the intermediate goals which precede democracy and which have yet to be achieved have been implemented satisfactorily.

Question: In recent statements, you have mentioned that 1981 will be a decisive year for Argentina. Did you mean that there will be developments in the economic and political sectors and in the country's democratization?

Answer: I said that next year will be decisive because the process will enter a new phase. The phase that will end with my Presidency was that which restored order in the country after our previous chaos. The next phase will be creative. In the political field, it will prepare for elections by reforming structures; in the economic field, it will regulate the rules of economic life.

These will be the fruits of next year. In the social field, there will be a purge of the economy which will constitute a different phase within the same unique process. For this reason, the new phase which will begin next year will be creative.

Question: General Viola will succeed you in the Presidency in March 1981. Why have you decided to give up power?

Answer: In the process of national reorganization "giving up power" is not a personal decision. In fact, the process of national reorganization has from the start had many goals and does not depend on individuals. It has a profound institutional and democratic conscience. According to the process, people in the government are only the transitional organs of a continuous, total and wise activity which aims to implement predetermined and clear goals.

The presidential change which will take place in March must be examined within this framework. I will give up power in accordance with the democratic demands of the process. The month of March will only mean a change in individuals within the political, social and economic continuity that, despite slight personality differences, will mean the continuation of the philosophy and basic objectives of the process.

Question: Many Argentines with whom I have spoken have told me that they believe that free elections will be proclaimed after General Viola's term in the Presidency has expired. Could you tell me your viewpoint on this subject?

Answer: I believe that the people with whom you have spoken have given you their personal viewpoints. The date for elections has not been fixed. We have stated that we do not speak about time limits in connection with the proclamation of elections. The process must fulfill its objective goal so that the prerequisites for the declaration of elections can exist. Our opinion, the opinion of the armed forces, is that these prerequisites do not exist yet. If they exist after 3 years, when General Viola's presidential term ends, then the answer will be affirmative. If elections are not held there may possibly be a transitional period, for instance, a referendum. All things are possible in accordance with what circumstances may exist.

Question: The Peronist party always has had many followers in this country. Do you consider it a threat to the regime and how do you confront it? Also, is the Communist Party dangerous for Argentina?

Answer: None of the country's more significant political sectors is currently a threat to the government of the armed forces, perhaps because everybody understands the very difficult situation which the country has endured and tacitly agrees with the fact that return to a true effective democracy demands great efforts and necessary preparations that can only be guided by the armed forces. In addition to this, I should like to tell you that, during the dialogue which the government has begun, none of the political leaders who has been asked has demanded urgent elections of any kind. The minister of the interior is talking with representatives of all parties except those that are not accepted by our way of life, specifically the communists. On the other hand, I should like to inform you that although the activities of political parties have been suspended, the representatives of various political tendencies can freely express their viewpoints on many issues and they do so, thus proving once again the possibility of harmonious coexistence among all national political sectors.

In addition to this, when the armed forces presented to the country the political theory for the process of national reorganization--a basic document for defining the kind of country that is their ideal for a strong, stable democracy, they made it clear that in any future democracy totalitarian ideologies will be completedly excluded and that encouragement of differences among classes, collective ownership of productive means, excessive adulation of leaders, the influence of political parties over state institutions and intermediate organizations, and the use of public position for personal gain will be excluded.

Question: That is, the Peronist party with its current structure will not be able to participate in the elections?

Answer: The Peronist party is a political reality in Argentina. It is a party with deep totalitarian roots. Despite this, it is not an extremist party that will not be accepted. Its opinion has been asked and it has participated in discussions with the minister of the interior. In any case, it should not be accepted as a party that will participate in elections under the totalitarian form it has had in the past.

We shall proceed toward elections provided there are no totalitarian parties, either of the left or of the right. Anything that exists in the center, regardless of its name, will be accepted as a party.

The Detainees

Question: There has been repeated mention in the world press of approximately 20,000 to 30,000 political detainees and of an equivalent number of missing persons. What do you have to say about the fate of these people?

Answer: Such statements in the world press are only part of the campaign against Argentinia's prestige and are prepared overseas by groups of terrorists who escaped from our country.

Subversive terrorism which was aimed at taking over authority in Argentina did not hesitate to dedicate itself to violence and to the abuse of all human rights. The armed forces, in defending the fundamental values of democracy and the inviolable rights of the citizen, with the unanimous support of the people, dealt with terrorism during an undesirable but necessary and unavoidable war which, like every war, left its count in dead, wounded and missing persons from both sides. This was the price paid for peace, freedom and security.

In respect to those killed or missing on the side of the subversive elements as well as in respect to the sociopolitical and military victims, it is very difficult to establish exact numbers. Unquestionably, there were dead and missing and they are many. According to estimates conducted to date, however, the numbers mentioned in the international press are far removed from reality and they are the result of an attempt to present the victims as executioners.

In reference to the so-called political detainees who, however, are not political detainees but criminals involved in terror activities, I do have accurate numbers and they are:

Before the army took over authority in March 1976, there were 3,000 detainees arrested for the same reasons. During the 1976-77 period, the period of the struggle against subversion. naturally there was a great increase. The greatest number at that period reached 5,000 persons at the end of 1977. Today, there are about 1,000 prisoners. They are also approximately 130 persons under house arrest.

In conclusion, I can offer you this important fact: During the current year only 5 persons were arrested and 330 were set free.

These reports are a confirmation of my original statement: The numbers mentioned in the international press express an additional aspect of the organized campaign against Argentina's prestige.

Finances

Question: Do you believe that your government has had success in the economic sector? What were its main achievements?

Answer: To have a correct view of the economic results of the government which started in March 1976, one must first examine the situation prevailing at that time.

During March of 1976, many developments of a domestic-political character placed the country in an extremely difficult and complicated economic situation. Stagnation in payments started, inflation was out of control and the economy in general had no prospect for development.

Right from the start, the government implemented a plan for total development which was directed at bringing about and which already has brought about a structural economic change. Today, after 4 years of effort, Argentina is in a clear and true recuperation and expansion of the system. This is observable in the implementation of various objective goals and which is almost astounding if we analyze it under the light of the chaotic situation of our original position.

Trade exchanges have risen perpendicularly and they continue to increase. Industrial investments as well as agricultural and stock breeding productivity were considerably expanded. The road and other communications system was considerably expanded while hydroelectric units and central atomic energy plants were established and continue to be established. They will triple our energy potential. A great impetus was given to exploitation of our mineral wealth generally and to the production of oil specifically.

Regarding inflation, which in 1976 was the highest we have ever had--we had a monthly increase rate of 50 percent and if we had failed to take the necessary measures it would have reached a four-digit figure in one year--the national government did start and it continues a great, important and coordinated effort to deal with the sources of inflation. As a result, we already can see that the possibility of coping with the source continually gets closer.

This battle was waged in such a way that the economic classes paid the lowest possible price and today's trend of decreasing inflation is accompanied by a very low unemployment index and with a level of wages which has true upward trends.

It is unavoidable that under every attempt toward change and as a result of its intensity, all these fluctuations in the economy will create difficulties of differing magnitude. The undesirable and unavoidable side effects are minimal by comparison to the results achieved through this great recuperation and will most certainly be wiped out under the steps which will be considered necessary but primarily under the strict and basic implementation of the principles proclaimed as of April 1976 and as of the moment that the adopted economic measures begin to produce the expected results.

Question: Your government's relations with the Soviet Union are very friendly. How do you explain this, given that there are political and ideological differences between the two countries? Do your friendly relations with the Soviet Union affect your relations with the United States?

Answer: Our relations with the Soviet Union are completely realistic. At the political level, they are exclusively based upon mutual respect and at the economic level they are exclusively based on continuing commercial exchanges.

These economic relations with the Soviet Union in no way mean any enforcement of conditions on the independence of our judgment and they in no way threaten the preservation of our Western postion, which we have for long proved to be immovable.

The Republic of Argentina is an inseparable part of the West and it is in this very same way that it interprets the values which it upholds: liberty, justice, solidarity, general prosperity and equality of rights.

In its efforts to defend these values, Argentina has had to pay with the life of its citizens. It suffered sacrifices and it is even subjected to arbitrary and unjust attacks by those who prefer not to understand the developments which took place here.

It would be incorrect if you thought that the temptation of some commercial transaction, no matter how important it may be, would make us abandon our position which we have maintained with such difficulty. Our commercial relations with the Soviet Union, even though in certain instances they were not understood and created disagreements, do not at this moment harm relations between Argentina and the United States.

The United States has fully understood the realism of these relations and from that moment both countries have developed a strong dialogue in their search for a definite understanding which will, naturally, also become a better guarantee of our Western and Christian way of life.

With Greece

Question: What do you have to say about relations between Greece and Argentina?

Answer: Argentina and Greece are connected by traditional ties of friendship and mutual understanding which are proved by the broad character of their diplomatic relations. In the economic sector, the ties between the two countries are basically commercial. Argentina exports to Greece agricultural and stock breeding products such as frozen meat and wool. The satisfaction demonstrated by Greek importers over the quality and means of fulfilling our exports is a firm guarantee for future expanded commercial relations between the two countries.

The ties between Greece and Argentina, however, are far more important than formal diplomatic and commercial relations. Our relations are based upon historic-cultural ties which are not official diplomatic-commercial ties but which go deeper. Greece is the country where Western civilization was born. This is a civilization in whose values the Argentinian Republic fully believes.

For all these reasons, it is the desire and will of the two countries to make these ties of friendship and understanding which unite us even stronger and broader in the future.

Question: Now that you will be retiring from the Presidency, do you think that you will deal with politics, for example, by establishing your own party?

Answer: No, this is impossible. I was asked to serve my country and I have done so. Now I am only thinking of retiring. I am not a politician and I do not have such aspirations. Before you leave, I would like to thank you for your visit. I have great respect for the press which I believe has a duty to inform and to influence public opinion. We are victims of misinformation. They do not know us. Because they do not know us, they do not understand us. Because they do not understand us, they do not love us. This is why I want them to come to know us, not on the basis of what I personally have told you but on the basis of what you have objectively seen in our country. You have seen Argentina. You have listened to Argentina. You have come to love Argentina, not the caricature of Argentina as they want to present it but the real Argentina. Write about this true Argentina.

BRIEFS

FRENCH TAX AGREEMENT--Buenos Aires, 30 Dec (TELAM)--The executive branch has approved an agreement signed by Argentina and France on 4 April 1979 to prevent double taxation and tax evasion on income and property taxes. [Buenos Aires TELAM in Spanish 1515 GMT 30 Dec 80 PY]

END OF ANTARCTIC CAMPAIGN--With the arrival at the Buenos Aires port of the ice breaker "Almirante Irizar," the first stage of the 1980-81 summer Antarctic campaign that lasted about 45 days successfully concluded. It included the relief of detachments and the resupplying of bases and garrisons stationed in the Antarctic peninsula and the southern Atalntic and also the building of temporary shelters. [Buenos Aires LA PRENSA in Spanish 27 Dec 80 p 4 PY]

NAVAL TRANSPORT--Navy Commander in Chief Adm Armando Lambruschini has commissioned the ship "isla de Los Estados" which will join the Argentine Navy Transport Service. [Buenos Aires LA PRENSA in Spanish 27 Dec 80 p 4 PY]

GARCIA MEZA SAYS PROMOTION REPORT 'NOT TRUE'

PY311930 La Paz EL DIARIO in Spanish 30 Dec 80 p 1

[Excerpts] President Luis Garcia Meza has announced that he will make exceptions for the new year festivities "if the people to continue to show discipline and work."

In statements to the press, the chief of state referred to the curfew and the possibility of lifting it for the new year festivities. He said that this depends on the behavior of the people until that date.

Asked about the publication of a local morning newspaper listing military personnel promoted to general, the chief of state explained that promotions and assignments in the armed forces are confidential, therefore the information published is not official and not true.

BISHOPS COMMENT ON CLOSURE OF CATHOLIC PAPER

PY021127 Buenos Aires LATIN in Spanish 2241 GMT 1 Jan 81

[Text] La Paz, 1 Jan (LATIN)--Bolivian bishops warned today that the temporary closure of the newspaper PRESENCIA seeks to quiet the voice of the Catholic Church and threatens to break the relations between the church and the state.

The episcopal conference, presided over by Cardinal Jose Clemente Maurer, published two declarations today regarding the sanction imposed by the military government on the morning newspaper PRESENCIA, owned by the church, and having the largest circulation in the country.

The newspaper published in its literary section last Sunday a story by writer Manuel Vargas, containing offensive remarks about the dignity of women living in the eastern part of the country.

Armed security agents occupied PRESENCIA last Monday and violently evicted its directors, reporters and workers.

The Bolivian episcopal conference today offered a full apology to the women of the Santa Cruz Department and voiced disapproval of the story published by the newspaper.

COMMERCIALIZATION OF COCA IN SANTA CRUZ PROHIBITED

PY270206 La Paz Radio Illimani Network in Spanish 0100 GMT 27 Dec 80

[Text] The government of national reconstruction approved a decree saying that the commercialization of coca in Santa Cruz Department is prohibited absolutely. Requests already granted are now null and void.

The cabinet, presided over by President Garcia Meza, adopted the measure within the policy of moralization that the government has imposed with the purpose of definitely eradicating the trafficking and illegal use of coca.

The measure also has the objective of undermining the systematic campaign from abroad that is harming Bolivia's image.

The organizations charged with enforcing the decree are authorized to confiscate the product, which will be incinerated publicly, and they also will confiscate the vehicles that are used and arrest those who are guilty.

NEWSPAPER VIEWS ARMY DISCIPLINARY REGULATION

PY310229 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Dec 80 p 2

[From "Castello's Column" by Carlos Castello Branco: "Politics and the Military"]

[Excerpt] The punishments applied to Gen Antonio Carlos Andrada Serpa and Euler Bentes Monteiro raise some problems. The disciplinary measures apparently are aimed at maintaining the solid unity of the armed forces by reminding possible dissidents of the existence of the army disciplinary regulation [RDE] and of the government's intention to enforce it. This would mean that the military would have to return to the barracks. In reality, the punishments that have been applied lately indicate that political manifestations by the military are repressed only when they are critical of the government or of the prevailing line of thinking. If a general or any other high-ranking officer inveighs against the opposition or denounces opponents whether belonging to a political pary or not--including members of the national Brazilian bishops conference--he is spared or even encouraged from the top. He is never punished, although he violated the RDE just like a general who criticizes the official policy.

Another problem is the application of the RDE to military officers in the reserves, who are just as liable as their colleagues on active service. Gen Euler Monteiro quite properly recalls that if the RDE now in force had existed at the time when the presidential succession was taking place, neither he nor General Figueiredo could have been candidates for the Presidency because they had to make political pronouncements in that capacity. Consequently, they would have been punished with reprimands or imprisonment, depending on the judgment of the authorities.

The RDE provisions in fact ban participation by former army officers in political activities. Under those provisions, neither Adm Amaral Peixoto nor Col Erasmo Dias could have been candidates for elective positions--even as appointed candidates, as they were--because in that capacity they adopted political attitudes incompatible with the disciplinary regulation. Today they hold mandates that protect them from the armed forces code, but anybody without that immunity could not aspire to a political position. This observation applies to Governor Virgilio Tavora, Minister Cesar Cals, Senate leader Jarbas Passarinho, Gen Golbery do Couto e Silva, Governor Alacid Nunes and any other army officers in a ministerial post or a governmental adviser's office. But it does not apply to Heitor Ferreira, who resigned from the army when he was a captain and is at present in the nonremuneratied second-class reserves and is therefore free to engage in political activities.

In fact, when President Figueiredo steps down he will not be able to make political statements, just as General Medici or General Geisel will no longer be able to make them. The absurdity of this situation was brought out in the observation made by Severo Gomes that the government, through the RDE, has declared the civic incapacity of the military reserves who, in such a case, should have an organ of tutelage such as the FUNAI [National Indian Foundation] for the Indians. The RDE under which Gen Euler Monteiro was punished is a regulation that affects the rights of a citizen who is technically free to give his opinion on whatever he wants. A former member of the armed forces should be held responsible for any activity connected with his previous military status, but not for exercising the freedom he gained upon leaving his honorable army career.

O ESTADO DE SAO PAULO ON FARHAT 'DOWNFALL'

PY311709 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Dec 80 p 3

[From the "Notes and Information" page, by J.M.M.]

[Excerpts] The downfall of Minister Said Farhat has brought about the further encystment of the government. It is not that the minister played a significant role in the opening process or that he was a brilliant minister; it is just that Farhut was the only one who did not sing the same old song the other incumbents of Planalto Palace do.

Farhat was not Golsbery's friend. He was not close to Maj Heitor de Aquino. He had no claims to the friendship of Generals Madeiros and Venturini and he held the job of someone who was a great friend of all of them: Rubao, that is, Gen Ruben Ludwig, now education minister. Farhat was a stranger and owed his position near Figueiredo to a whim of the president's brother, the writer.

He was so much a stranger that he did not even attend the 0900 meetings at which the coowners of Planalto Palace decide the fate of the nation. Since he did not participate, Farhat knew little and sang out of tune many times. He knew so little that SECOM [Mass Media Ministry] denied Planning Minister Mario Henrique Simonsen's resignation when Gen Golbery do Couto e Silva already had the former minister's letter of resignation. Isolated and lonely, Farhat's only talking partner was President Figeiredo.

His isolation was so obvious that it gave rise to a peculiar situation within Figueiredo's administration: Planalto Palace had two spokesmen. The official one, Minister Said Farhat and his formal statements, and the other one, the powerful Heitor de Aquino, nominally the president's private secretary.

The strange thing about all this is that as long as he was minister, Said Farhat spoke with Figueiredo every day, first shortly before 1100 and then at the end of the afternoon. Could it be that the president did not keep his mass media minister inromred about what was going on at government level and about his opinion on the most crucial issues? Could it be that the overly independent Farhat voiced opinions different from those of the president?

It is difficult to believe that either of these two possibities could come to pass--the first one because President Figueiredo does not seem to be the kind of man who hides things from his ministers, and he always had treated Farhat in a friendly manner, even when rumors of his imminent downfall infested Brasilia. As for the second theory, it is obvious that President Figueiredo, an explosive and impulsive man, would never keep around for long a minister who openly opposed him and his government guidelines. The truth is that Farhat spoke on behalf of the government, or at least of the president, and with the latter's concurrence. He even wrote most of the president's speeches.

Still another important thing to bear in mind is that Farhat, estranged from the palace group, conveyed to President Figueiredo information and views different from the singsong speeches at the 0900 meeting. The president, who already is living in an isolated, artificial and sterile environment in Brasilia and who has little time to read the country's main newspapers, is now at the mercy of persons all of whom have the same ideas, the same information and the same objectives. Finding substantial differences between Golbery and Aquino would be a job for Sherlock Holmes. The same applies to Venturini and Medeiros, Medeiros and Golbery, Aquino and Venturini or any of the possible combinations of members of the palace group.

The downfall of the former minister and the new solution proposed mean that the government has encysted further. President Figueiredo will now the country less and less every day and the country will know less and less about the way it is being governed and about the way the decisions which interest everyone are being made. Now, "Planalto Palace sources" are all we are going to have by way of information.

BRIEFS

TRADE WITH ALGERIA--Brazil and Algeria are resuming trade negotiations frozen 3 years ago. Iterbras [Petrobras International Trade Inc] closed a deal for the sale of 170,000 bags of coffee to Algeria and launched negotiations aimed at selling sugar and soybeans. Algeria is also interested in importing Brazilian manufactured goods, especially automobile parts and is prepared to export oil to Brazil. [Rio de Janeiro O GLOBO in Portuguese 20 Dec 80 p 17 PY]

PRESIDENT PINOCHET ADDRESSES NATION AT YEAR'S END

PY012139 Santiago Chile Domestic Service in Spanish 0015 GMT 1 Jan 81

[Yearend message to the nation delivered by President Augusto Pinochet in Santiago--live]

[Text] Ladies and gentlemen, fellow countrymen: In a few more minutes, we will have come to the end of 1980. This, this is an appropriate moment for the nation's president to share with you some reflections about events that took place during the year now ending. Nobody can ignore the fact that events both at home and abroad have had profound consequences for the nation's development. A review of these events will help us to understand better the reasons the country chose to take the path it did and to fortify our faith in the future of our beloved country.

Shortly after 11 September 1973, the government realized that the 1925 constitution was outmoded and that it was useless in stopping the totalitarian fascist-Soviet aggression. Therefore, the president who speaks to you now signed a decree creating a commission to design a new political constitution for the Chilean state. The work of this commission was completed in 1978 when a draft constitution was submitted to the honorable government junta for its final approval during the year now ending. Considering that it was necessary for the citizenry to give its opinion on this new constitution, the government called for a plebiscite on 11 September of this year. Undoubtedly, this was the most important event in the nation's political affairs and, for this reason, we were the target of the harshest criticism, which went so far as to offend those of us who have stoutly adhered to honesty of conduct. Thus, the new constitution was submitted to the free and sovereign verdict of the Chilean people, who overwhelmingly supported it with more than two-thirds of the ballots cast by those older than 17 years of age. Thus, the new constitution was given legitimacy as the instrument to steer the affairs of the nation on the road to progress and well-being, according to the precise and objective precepts of a new democratic reorganization which is humanistic and in accordance with our best republican traditions. Today we are confident in the continuation of the process that solidly and systematically is leading us toward a future with the freedom, progress and justice that is the legitimate aspiration of any well-organized society. The state of Chile has thus advanced in all areas, surmounting all sorts of obstacles thrown in the path of the country's sound progress.

A quick review of the forward steps made this year supports our categorical assertion that only those who refuse to see reality can deny the progress attained in the various areas of the affairs of the country and the profound social significance of this progress.

Let us just mention the important step taken through the approval of the laws which comprise the new social security system for the Chilean workers. For decades, the workers endured delays and delusion. This has now been solved and they can now look forward to a future without the anxiety and uncertainty offered them by the old system. At present, every person who works has a guaranteed pension, obtained through his efforts of saving and in accordance with the dignity of a human being.

Significant achievements in the economic field also have been made possible thanks to the responsible management of public finance and the determined will of the government to give back to the state its necessary strength. This policy will remain unchanged because it permits the taking of measures without precedence in the economic history of the nation, such as the tax reduction made last September. On that occasion, 850,000 low-income taxpayers were exempted from the payment of the general complementary income tax. The amount which the taxpayers had to pay in such taxes also was reduced. It should be pointed out that this and other tax reductions signify a reduction of the tax burden totaling approximately 8 billion pesos.

Regarding foreign trade, we should mention that the net foreign currency reserves reached $1,544 billion in 1979. Nine months later, that is, on 30 September of this year, those reserves totaled $2,3 billion. As of 1977, the equilibrium of the balance of payments was achieved. This year, we have obtained a surplus of over $1 billion. I wish to point this out in view of the misgivings of some people who say that the success of the foreign trade policy has been achieved at the expense of the indebtedness of the country. In 1979, according to the last statistically established figure, the foreign debt in real terms reached a level that was lower than the debt we had in the years 1970 and 1973.

Another subject on which some people often foolishly dwell is that the development pattern applied in Chile is harming the poorest classes. I believe that this opinion has been categorically denied in many (?studies by) organizations and people who do not agree with the position of the government. We should point out that those studies concern the level of unemployment. To this should be added the work now being realized by the state in aid of the poorest sectors through regular social expenditures and the social emergency fund, a state activity which was not taken into consideration in those studies. Furthermore, the distribution of social expenditures has been totally redirected during the present government, eliminating its (?uneven distribution) of the past and assigning it specifically to the poorest sectors of the population.

In addition, the level of expenditures has been raised to figures never before apportioned for such purposes. We can therefore categorically assert that the country now enjoys a distribution of income significantly better than at the beginning of the past decade. I believe that this reality is a demonstration of the constant concern of the government for the poorest sectors, an urgent and priority concern to keep on creating conditions so that the entire population may share in the benefits of the material and spiritual development that the country is experiencing. We have moved ahead with a realistic social strategy to ensure the legitimate well-being of all citizens, without deceptions or demagogic promises. Our advance in the social area has attained an unprecedented level as attested to by the silence some people keep about it. The plan of social coordination is funded with 6.3 billion pesos to permit the government to solve the most urgent social problems, thus addressing the situation of many sectors that deserve prompt attention.

Another fact to think about is the mortality rate among children. In 1970, this rate was 79.3 per thousands; it declined to 36.3 per thousand by 1979, that is, to less than half.

Another aspect of social development is the amelioration of child malnutrition, the rate of which dropped from 15.5 to 12 percent among the population sample under study during the 1975-79 period. While advanced malnutrition declined from 0.7 to 0.2 percent. This advance has a profound humanitarian significance and is of vital importance for the future development of these children, who are the human potential of the country in years to come.

In the area of housing, we have to mention the granting of 38,000 direct or in[illegible] housing subsidies this year. Housing construction has been on the rise and the country in 1980 reached an important landmark, limiting the so-called housing deficit throught the construction of approximately 50,000 housing units. This means a 32-percent increase in housing construction over the year 1979. With satisfaction, I can tell my fellow countrymen that Chile is currently on the right course in its effort to eradicate poverty.

Chileans, in my 1979 yearend message, I made the commitment to provide a solution to a serious problem, which had been postponed for many years and had broad social effects for large sectors of the nation. I am referring to the improvement of the single salary scale for the public administration. The determined and coherent continuation of the present economic policy, which has made it possible for us to recover from chaos and to receive worldwide recognition for our progress, permits me to order improvements of the single scale of salaries for employees of the public sector and another improvement for the personnel of the armed forces of national defense.

The first of these projects has been personally studied by the president who is now speaking to you, together with the Finance Ministry. It has a total cost of 13 billion pesos and its main aspects are the following, which I will now outline: Three salary subsystems are established with different personnel policies, namely: auditing institutions and the general comptrollers office of the republic, municipalities, and the single scale of the civilian administrative sector. The improvement in the public sector affects the single scale which comprises the largest number of officials. It contains a special additional tax-free allotment and the expansion of the public servant career for the nonprofessional levels, which represent about 80 percent of the personnel, by raising the respective ceilings by 4 or 5 grades with the consequent improvement of their salary prospects. The other established systems, as well as the salary adjustment project for the national defense personnel, have a different salary structure whose total result is an improvement equivalent to that of the single scale.

The high cost implied by this salary improvement, which might bring about inflation, prohibits its full implementation at once. The system therefore will go into effect on 1 January and will have a maximum term of 36 months for its full implementation.

In addition to this, a salary system subject to the single scale is established for state enterprises and for the production development corporation. The system has been set up through a tripartite resolution by the Finance Ministry, the Economy Ministry involved in each case, with the condition that the existing expenditure is maintained.

In order to show all this progress, which is now recognized by the world, it has been necessary to struggle constantly to achieve a climate of tranquillity in which the country can develp according to its true potential. But this struggle has not been easy and all citizens have been able to verify this through the sporadic outbreaks of violence whose only aim is destruction and robbery and which have sometimes claimed innocent victims out of blind and aimless hatred.

It sounds like a paradox that in this situation, which is known by all, false prophets continue to emerge, announcing the solution for the problems of coexistence through the return to the country of those who formerly brought our society to the brink of chaos and disintegration.

Paradoxically, when we still have internal needs to attend to, attention is being focused on the few who go around the world attacking our country, thanks to financial help they receive from their generous friends. Paradoxically, too, there are Chileans who want to return to a land they have depicted to the world, through a vicious international campaign, as the least desirable place in which to live.

Therefore, I want to repeat here an idea that I already have expressed on several occasions, that is, that reconciliation in order to serve a lofty purpose calls for an attitude devoid of any subjective interest. All the wordy and destructive slogans of the new prophets are really politically motivated, despite their presentation in moral wrappings. To all of this, the answer is simple: This government does not persecute anybody and only those who stubbornly want to artificially smear the country's image are affected. The president who speaks to you offered them on 11 September 1980 a place to work under the government's protection.

Another aspect I want to bring out refers to our international relations on the continent. Our close ties with Brazil are very important since we have maintained with that country an excellent and longstanding friendship which was invigorated by President Joao Baptista Figueiredo's visit. An important joint declaration and numerous agreements were signed at the end of that visit, to strengthen and develop even further the Chilean-Brazilian cooperation in various areas. The Montevideo agreements through which Argentina and Chile requested the Holy See mediation to find a solution for their differences in the southern region will soon complete their second anniversary. The Holy See has invited the foreign ministers of the two countries to convey to their respective governments suggestions to reach an agreement through his mediation.

The pope spoke of peace as a dynamic concept to be realized through daily effort. Concurring with such a concept, we believe that the will to have peace is not enough, but that actions to attain peace are also necessary. Fellow countrymen, I want to publicly express the Chilean Government's determination to make its best effort to attain a peace based on a permanent adherence to truth. Should your hearts be stirred by uneasiness, I assure you that the president who is speaking to you is aware of his primary duty to safeguard peace and to protect the fatherland, but to do so with honor and dignity. I want to express the sincere gratitude of the Chilean Government and people to the Holy See for its efforts in search of a solution to this difference between Chile and Argentina, a solution that will allow these two fraternal countries to mave toward a promising future of understanding and integration as champions of peace and brotherhood.

Fellow countrymen, as the final hours of 1980 are running out and as mankind hopefully looks forward to the arrival of the new year, I want to express my best wishes for the happiness of each of you in the spirit of Christmas with its lofty aspirations of peace, faith and unity.

Now that with emotion-filled hearts you are trying to foresee the future anticipated by this new year's eve, gathered with your loved ones in the comfort of your homes, I look at the fatherland with admiration and renewed faith, as it rises on the American Continent with vigor and hope.

Strengthened by confidence in the reality of a country that is growing in peace and harmony, I ask for God's blessings for our fatherland, your families and every Chilean, with best wishes for a happy new year filled with success and good fortune. Long live Chile.

LEFTIST GROUP CLAIMS RESPONSIBILITY FOR HOLDUPS

PY311750 Paris AFP in Spanish 1241 GMT 31 Dec 80

[Excerpts] Santiago, Chile, 31 Dec (AFP)--The armed commando which perpetrated bloody holdups at three bank branches in Santiago on Tuesday belongs to the Popular Resistance Militias (MPR), according to a communique distributed here today by that leftist group.

The MPR, which seems to be the armed organization of the Movement of the Revolutionary Left (MIR), previously claimed responsibility for eight other bank holdups throughout the year in Santiago, in which a guard and car attendant died.

In several notes left surreptitiously in stores and reported to Santiago radio stations and newspapers, the MPR pointed out today that the armed attacks were perpetrated by the Van Schowen, Dagoberto Perez and Augusto Carmona Commandos. All these names belong to MIR leaders who died after the Socialist government of President Salvador Allende was ousted in 1973. Van Schowen died in prison and the other two in clashes with government security agents.

EGYPTIAN FOREIGN MINISTER EXPECTED 8 JANUARY

PY230247 Paris AFP in Spanish 2126 GMT 22 Dec 80

[Text] Santiago, Chile, 22 Dec (AFP)--It was reported here today that Egyptian Foreign Minister Butrus Ghali will visit Chile on 8 January as part of his Latin American tour. Salah 'Izzat, the Egyptian ambassador in Santiago, reports that the foreign minister's tour also will include Mexico, Argentina and Peru.

The Egyptian diplomat today met with Chilean Foreign Minister Rene Rojas Galdames, to whom we conveyed the objectives of the Santiago visit which will last only 24 hours. According to the ambassador, the Egyptian foreign minister plans to explain to Latin American countries the viewpoints of his government regarding the Middle East situation.

DINARP COMMUNIQUE REVEALS SUBVERSIVE PLOT

PY200156 Buenos Aires LATIN in Spanish 2339 GMT 19 Dec 80

[Text] Montevideo, 19 Dec (LATIN)--The Uruguayan Government revealed today the existence of a plan to reactivate the Tupamaros guerrilla movement which attempted, among other things, to interfere in the broadcasts of the world soccer gold cup which will be played in Montevideo starting 30 December.

The main parts of the subversive plan which was disrupted by Uruguayan security forces were disclosed today in a four-page communique issued by the National Public Relations Bureau (DINARP).

The subversive plan included an attempt to interfere with radio and television broadcasts of the world soccer gold cup, the first of which was to take place on 1 January during the game between the Argentine and the FRG soccer teams.

The communique states that Uruguayan authorities discovered that about 120 inmates at the Libertad prison, located 100 km northeast of Montevideo, actively participated in the plot through outside contacts.

The four parts of the plot were disclosed by DINARP. They include radio broadcasts from abroad with psychological content aimed at the Uruguayan population and kidnappings in those places that would enable retention of the victims outside Uruguayan territory.

DINARP also disclosed that the plot included the kidnapping of high-ranking Uruguayan Government officials and of foreign officials to exert pressure and to obtain negotiating power that was probably to be used for an exchange of political prisoners.

DINARP charged that the movement had the support of the communist parties alliance and that it also was seeking the support of international subversive movements among which are the Palestine Liberation Front (PLO), the Montoneros movement from Argentina, the Movement of the Revolutionary Left (MIR) from Chile and the Sandinist movement from Nicaragua.

The communique adds that Cuba also was going to give its support, but with fewer conditions, and that the Cuban Government was going to be more openly involved in the growth of the organization.

It states that the most audacious stage of the steps prior to the armed insurrection was to be the establishment of the necessary structures in other countries so that if military actions were conducted in Uruguay, they could rely on a safe and nearby hideout. The communique did not specify, however, to which countries or places it was referring.

It stated that Orlando Pereira Malanotti, who is under arrest at the Libertad prison, is the head of the group. It also mentioned nine other persons that cooperated inside and outside the jail.

The communique noted that this report confirms charges made by Gen Julio Rapela, the II Corps commander, 3 days before the plebiscite held on 30 November, through which Uruguayan citizens rejected the constitutional draft that was proposed by the government.

ROYO DISCUSSES 1980 EVENTS, CANAL, FUTURE PLANS

PA020252 Panama City Televisora Nacional in Spanish 1130 GMT 31 Dec 80

[Interview with President Aristides Royo by Diana Arosemena at the Presidency; no date given--recorded]

[Excerpts] [Question] Mr President, we are at the end of 1980. Are you happy with your work this year?

[Answer] Partly yes and partly no. First, it has been an easy year for Panamanians, a year which has fortunately not had the major commotion that has unfortunately shaken other countries. It has been a year in which investments have been made in every sense: in new businesses, new trade establishments, in construction, jobs have been created. It has been a year of political activity. Some political parties have been registered and some political organizations are going to register. Elections were held. Some projects were built and others were finished. Some projects were opened. This is the positive side of the work of 1980 which is coming to a close.

On the negative side, in my judgment, are the price increases of crude oil in the nations that supply us. Those increases, in turn, affect the prices of other staples. If someone asked me what our greatest sadness as president is, I would say the increase in the price of staple foods. It is mistakenly thought that the government raises prices. The government is not a rice producer; it is not a cattle rancher. It does not have hectares of beans to grow and sell. That is the job of producers. But the cost of freight, raw materials, agricultural equipment and fuel increases and this naturally affects their produce. In other words, if we really want to motivate Panamanian producers, their products must be fairly priced. We will have to struggle hard in 1981 to try to stop the cost of living from increasing at the rate that it has been increasing.

[Question] What are we anticipating specifically in El Salvador?

[Answer] I think the Salvadoran issue is somewhat difficult. I don't think the junta is opening all the doors to dialogue, and I don't think the struggling groups in El Salvador are totally open to dialogue. The conditions established are very difficult. They make dialogue very difficult and if the talks are not held, the only course will be civil war. I don't think either group wants or should get involved in that because that would not bring about peace in El Salvador.

[Question] Mr President, it is persistently rumored that Mrs Isabel Peron is ready to come to Panama and that Panama has been making arrangements to bring her here. Could you make an official statement on the matter, sir?

[Answer] Yes, within the policy that I would say is very, very Panamanian, the policy of upholding human rights, we have been concerned about the status of some figures who are in prison throughout the world. In the case of Liber Seregni, our government's attitude of seeking his release, which we know is also the attitude of our people, is well-known. In the case of a lady, a woman who, as I once said, was involved in a political vortex that even led her to the presidency in her country, it always seemed unfair to us that she be tried and possible sentenced. Therefore, when General Torrijos was chief of government, he made various arrangements to secure her release. It has been up to us to follow up on that with letters that we have sent to President Videla on several occasions and which hopefully will result in her release or in an attitude on the part of the government. By the way, several months ago Isabelita Peron sent us the staff that belonged to General Peron. I would like someone to bring it over to me. It is in the showcase of memorabilia and historic photographs we have here in the presidency. I am going to have it brought over here.

[Question] Excuse me, Mr President, while they bring it, there is nothing specific about when we will have her here in Panama?

[Answer] No, there is nothing specific about that but she will definitely be welcome. I don't think she is going to live in Panama. She will come for a few weeks or days and we understand that after that she will reside in Spain.

[Question] There is the staff.

[Answer] Yes, this is the staff that belonged to General Peron. This is an object that, perhaps fearing that it might get lost or misplaced in Argentina, she wanted it to be in Panama and at some time it will have to go to a museum or to wherever she decides because she owns it. I prefer to think that, even though she donated it to us, some day she will want it to be put in a museum somewhere.

[Question] Getting back to local affairs, your cabinet has remained almost intact since it was set up a couple of years ago. With the natural fatigue from being in power that length of time, can changes be anticipated in the Cabinet and among the directors of autonomous agencies in 1981?

[Answer] Your question reminds me of Napoleon's case. They say that Napoleon's ministers lasted 9 and 10 years and that he suddenly became aware of the tiredness and mental fatigue of his ministers by the way they signed their names. I am not going to let you see how I am making my signature but I have not planned a shuffle at the moment. When the time comes, it will not just be planned but it will be done.

[Question] Mr President, while Panama has made a formal and specific denunciation of U.S. violations of the treaty, it seems to me that we have not been really emphatic in following up on the denunciation. What do you think?

[Answer] I should say we have been emphatic. We have been emphatic but not violently so. We have claimed what we regard as our rights. However, while U.S. doors are not closed to understanding and while there is an inkling of good will--and they have been showing this although perhaps in a tardy way... [Royo changes thought). The Panama Canal Commission has been making its efforts but we are waiting for President-elect Reagan to be inaugurated and to handle urgent domestic affairs which he is going to have to deal with. Then, we will quickly, very quickly aim all our sights against law 96-70 which with the inspiration of Mr Murphy and Mr Bowman has done great harm to the implementation of the Torrijos-Carter treaties. We are going to struggle unceasingly so that the law will be amended and respond to the spirit and letter of the treaties.

[Question] Sir, it has almost become a custom that you plan trips abroad during the year. You make your longest trips early in the year. Are you planning any trips this year?

[Answer] Yes. The era of communications that the whole world is experiencing has made chiefs of state travel and to do so rather frequently. We leave the country only when we are invited and when we think that the trips will be beneficial to our country. I do not think that the results of the trips should be gauged by the scholarships, financial support, loans or donations received by our country. I think they have to be gauged by their friendly, political content and by the meaning of the international respect that Panama has earned. Panama has been invited to England, Hungary, Israel and Egypt which also has a canal. Panama was invited by Japan to make a trip which we think was very successful for our country's international image.

Panama is a very open country. I don't want to use the names of other countries but Panama is different. There are many nations. We are a cosmopolitan country. We have a neutrality treaty. We are open to the world. Panama is the only country in the world which is transited by the flags of 157 nations almost on a day-to-day basis. Therefore, Panama's windows are open to the world. We have to let the world in through our windows during these trips, through international relations which is what permits Panama to receive support to be admitted into the Security Council when it needs it or to receive support for its just cause in the struggle for the treaties. Panama is a nation which is fortunately on the world map.

OFFICER ON NATIONAL GUARD'S GOVERNMENTAL ROLE

PA020032 Panama City Television Nacional in Spanish 1130 GMT 31 Dec 80

[Interview with Lt Col Roberto Diaz Herrera, executive secretary of the National Guard commanding office, by Luz Maria Noli; date and place not given--recorded]

[Excerpt] [Question] What is the main role that the National Guard plays in the strengthening of the democratization process we have been living under for the past 2 years here?

[Answer] I answer your very general question by saying that article 2 of the 1972 Constitution makes the public force the guarantor of the balance of the other branches of power; that is, it places us within the government along with the three traditional branches existing in Panama. In other words, it legitimizes the active role that the public forces have always played in the national life. We are no longer illegitimate children but legitimate children and we conduct ourselves as such by helping civilian rule, especially the government inaugurated 2 years ago, to develop the country within our sphere which is state security and public order.

[Question] In the context of real power, what is the real meaning of the withdrawal of the armed forces from their active role in the administration? How far does the withdrawal go?

[Answer] How far it goes and what its real significance is the $64,000 question. There has been much talk about the withdrawal and how far it goes. We cannot find a dictionary in Panama that will tell us what the Guard's withdrawal means and how far it goes. That is very difficult. First, the intent of the withdrawal, what might be called the spirit of the withdrawal, is what General Torrijos as National Guard commander did with all the strength--all of us chiefs, officers, noncommissioned officers and enlisted men--behind him when he stepped down as chief of government and a new government took over. He stopped being ruler and President Aristides Royo and his administration took over.

However, if you asked a peasant from Herrera or Veraguas, for instance, why he still goes to a garrison, the withdrawal would gain a new dimension then. It is very difficult for the peasant, the representative, the student or the worker--in sum, the various people, classes, levels or strata that became accustomed to daily contact with the National Guard throughout 10 years--to be told by decree that the National Guard has withdrawn and that they should have no more contact with it. They continue to be in touch with us in various ways.

What has changed is that the real power or government decisions--appointments, decrees and development decisions--are not being made by the National Guard although I would be lying if I said that we are not consulted concerning any of this. By constitutional right, we hold periodic meetings and consultations with President Royo's administration. I would say the general staff meets about once a month. That is not a rule but an average. We meet so that the president and his Cabinet can brief us on their own initiative on what is going on in the country. Sometimes we are consulted when a matter comes up that is more germane to the National Guard, particularly when it involves security and public order.

EL SALVADOR

GOVERNMENT DENIES VIOLATION OF HONDURAN AIRSPACE

PA012026 San Salvador Radio Cadena YSKL in Spanish 1853 GMT 31 Dec 80

[Text] Spokesmen for the Defense Ministry have publicy protested reports from Honduras regarding violations of Honduran airspace by Salvadoran airplanes. According to the reports, the incidents occurred on Monday of this week, when guerrilla groups were being pursued in Valladolid Department, on the border with Chalatenango. Some towns were reportedly attacked from the air. However, there were no casualties among the population.

The Defense Ministry maintains that these reports are false and biased for only Salvadoran airspace is being patrolled, without any violation of our neighbors' skies.

DUARTE TO MAKE TOUR TO 'EXPLAIN' GOVERNMENT PLANS

PA010229 Paris AFP in Spanish 2059 GMT 31 Dec 80

[Excerpts] San Salvador, 31 Dec (AFP)--Napoleon Duarte, president of the Salvadoran Government junta, announced today that early in 1981 he is planning to visit many countries in the Americas and Europe to "explain the plan" of his government. The tour, for which he did not give any dates, will include Central America, Mexico, the United States, Canada and South America.

Duarte has been recently complaining about an alleged campaign of "misinformation" concerning the Salvadoran situation promoted from abroad by the opposition groups with the cooperation of the international news agencies, according to him.

According to Duarte and his government's military spokesmen the situation in the country is calm and the security corps are in complete control of the situation throughout the country. One of the main charges frequently raised against the regime of Christian Democrat Napoleon Duarte is that the security corps and the paramilitary groups are responsible for 90 percent of the 10,000 violent deaths which have taken place this year in El Salvador, according to statistics given by the Catholic Church, and that they go unpunished.

Duarte reiterated today that the government would be reorganized in the future "to make the public administration more effective." The president specifically mentioned the creation of a council of state, as a consultation body, in which the various sectors would be represented, such as unions, cooperatives, and political groups.

However, the opposition circles have said that the Salvadoran People's Democratic Unity, one of the main groups that the government wanted to incorporate into the council of state, has flatly rejected the proposal.

Furthermore, the organization has accused the regime of not having "legal power of decision in solving the serious economic, political, and social problems of the country," and of lacking power to call for the organization of a council of state.

'Military Justice' For Subversion

PA311515 Buenos Aires LATIN in Spanish 1232 GMT 31 Dec 80

[Excerpt] San Salvador, 31 Dec (LATIN)--The government has announced that it will apply military justice to anyone found guilty of committing crimes against the security of the state, in another attempt to end the political violence which is encumbering the country.

The reform of the penal code was announced by President Napoleon Duarte himself during a news conference held last night with local and foreign journalists.

Up to now the crimes of subversion were dealt with by civilian penal courts. "From now on military justice will be imposed on anyone found guilty of crimes against the security of the state," he said without giving any other details.

During the news conference President Duarte also said that in the next few months he will visit several Latin American and European countries to explain his country's situation.

Comments on Violence

PA011957 San Salvador LA PRENSA GRAFICA in Spanish 31 Dec pp 3, 27

[Statements made by junta President Jose Napoleon Duarte during a luncheon held for Salvadoran newsmen to mark the new year--place and date not given]

[Excerpts] Duarte said that the revolutionary government junta is ready and has the necessary mechanism to eradicate the violence of both the leftwing and the rightwing, as well as the social violence which is currently depressing us.

The president said that 1981 will be a year of struggle to achieve peace and, in this regard we all have to work. It is the duty of us all to contribute to the search for a decorous and worthy solution for the fatherland, he said.

The junta, Duarte said, will end all those abuses of authority which are not logical, sensible, admissible or good for the country. We have to curb these abuses in order to eradicate all forms of violence, he said to the newsmen present at the presidential palace in the Escalon neighborhood.

Duarte also asked all the Salvadoran people to join in the efforts and the struggle to live in a democratic and free country, and to fight to have real freedom of expression in the country so that no one is able to silence the voice of a person who is writing or speaking his mind.

Duarte again asked the national press and the Salvadoran people to pay no attention to the international lies that are intended to cause unrest for the new year holidays. We can all prove, he said, that our people work, enjoy themselves somewhat and are struggling to bring about peace and tranquillity during the next year.

GUTIERREZ SAYS PEOPLE DESIRE END TO VIOLENCE

PA011500 San Salvador EL DIARIO DE HOY in Spanish 31 Dec 80 pp 3, 32

[Excerpt] Col Jaime Abdul Gutierrez, vice president of the republic and commander in chief of the armed forces, has said: "The Salvadoran people have given irrefutable proof of their real feelings and true aspirations--an end to violence and the definitive pacification of this country that has personally endured the rigors of a situation which they have never liked, because they are a noble and hard-working people who favor harmony and understanding among brothers."

Colonel Gutierrez said: "The military has carefully examined the national picture and it has sounded out the thinking and the feelings of most Salvadorans. It has fathomed the feelings, the desires and the objectives of each Salvadoran and it has no doubt as to what it should do to interpret what each of this country's inhabitants is asking for: an end to a state of violence that has brought bitterness, pain, mourning and desperation to so many homes and the total elimination of a climate of tension to make room for a comforting climate of peace, in which there prevails respect for the legitimate rights of all Salvadorans."

We are, he said, a peaceful people par excellence, but at the same time we are brave people and this bravery must now become a valuable and necessary contribution to the restoration of normalcy and the regaining of the values that have been lost or that have been weakened too much in a sterile struggle that the people do not want.

ARMY DENIES REPORTED OCCUPATIONS OF TOWNS

PA011424 San Salvador EL DIARIO DE HOY in Spanish 31 Dec 80 p 2

[Excerpts] An "April fool's joke" was the description applied yesterday to the statements made the day before in Tegucigalpa, Honduras, by Dr Napoleon Rodriguez Ruiz, acting rector of the national university, regarding the "occupation" of some towns, including San Antonio Abad, Cuzcatancingo, San Marcos, Mejicanos, Cuidad Delgado and other towns in Chalatenango and Morazan.

According to the international news dispatches from Honduras, which were not published here because of their lack of veracity, Rodriguez Ruiz said that "heavily armed groups of insurgents took control of those towns and are not allowing the army to enter for fear of being mowed down by the machineguns of the leftists." [quotation as published]

Col Marco Aurelio Gonzalez of the Armed Forces Press Committee has said that the report could not be more absurd. "It seems more like an April fool's joke intended to fool innocent children," the officer said, because the facts are evident. The very residents of San Antonio Abad and San Marcos, to cite only two places, he said, can attest to the falsity of the statements.

Lamentably, he said, "our media do not reach as far as those of the leftists so that we could use the same publicity apparatus to deny such assertions.

NO CURRENCY DEVALUATION FORESEEN BY BANK PRESIDENT

PA311544 Paris AFP in Spanish 2211 GMT 30 Dec 80

[Text] San Salvador, 30 Dec (AFP)--The president of the Central Reserve Bank of El Salvador, Pedro Abelardo Delgado, affirmed to the press here today that the Salvadoran currency will not be devaluated. The official admitted, however, that his country's economy is experiencing serious difficulties, particularly due to the flight of capital.

Although he refused to refer to the magnitude of that flight of capital, economic circles have noted here that it could approach $1.5 billion. Delgado insisted that "El Salvador is not bankrupt" and he asserted that savings "have increased since the coup which overthrew President Romero in October 1979."

The economist praised the "social and economic reforms of the present government" which, he said, "are being consolidated little by little for the benefit of all."

The Salvadoran Government issued a decree early this year which nationalized the banks and foreign trade and it imposed a controversial agrarian reform, the success of which has been noted by the government but is being severely questioned by the opposition.

The president of the reserve bank finally pointed out that "the nationalization of the banks has yielded good results" and El Salvador will recover from the difficult economic situation it is now enduring.

It was also recalled here that many businessmen have left the country in light of the political and economic situation prevailing in El Salvador, which has affected the nation's economy.

FDR, FMLN DISCUSSING 'DEMOCRATIC GOVERNMENT'

PA311911 Madrid EFE in Spanish 0843 GMT 31 Dec 80

[Text] Mexico City, 31 Dec (EFE)--In January 1981 a Salvadoran opposition commission will divulge the "determination" to form a "democratic government," said the Revolutionary Democratic Front [FDR] in Mexico City.

Julio Flores explained that the commission is composed of members of the Farabundo Marti National Liberation Front [FMLN] and the FDR. He is the international spokesman for the latter.

He said that both opposition organizations are now discussing the formation of the "democratic government" as well as a location for it and the date on which its establishment will be revealed.

In the company of other FDR members he added that the first few months of next year will be very important "for the strengthening of the people's forces."

Flores denied that 5 January could be an important date for the opposition's activities in his country but he conceded that it is now preparing to stage a general strike in January, which he gave no further details about.

In summarizing the activities in 1980, he said that they obtained the recognition and solidarity of different countries as well as the support of unions, political parties and religious groups.

He said that the armed process in El Salvador had spread during the past few months and that the "guerrilla army" had incorporated broad sectors of the population, emphasizing that "the armed struggle is gaining confidence among the masses."

Carlos Melgar, also a member of the FDR, said that Col Adolfo Arnoldo Majano's departure from the Salvadoran Government junta demonstrated the degree of decay which exists in the government.

He labeled Majano as "a man of good faith and honesty." Flores said that the colonel, who has been declared in rebellion by the Salvadoran Government, is not included in the FDR or FMLN plans to promote a "democratic government."

He added that Majano left the junta when the more rightist forces imposed themselves, because he is not a member of any of the democratic front organizations and was therefore not considered in their plans.

In reply to specific questions on Colonel Majano's performance as a member of the junta, the FDR members evaded the subject by stating that they are calling on "all honest and progressive soldiers to return to the path of the people."

On another subject, Salvador Arias refuted the existence in El Salvador of an "internationalist column" fighting in the area of Chalatenango and affirmed that the struggle is being waged by Salvadorans.

The spokesmen of the Salvadoran opposition also said that U.S. aid to the Salvadoran Government has not been suspended.

They affirmed that the "insurgent" forces are beginning to take control over some areas of El Salvador, specifically in the outlying districts of San Salvador and the cities of Chalatenango and San Vicente, but he admitted that these places cannot be considered to be "liberated."

Finally, they reaffirmed that the conditions for "general political as well as military insurrection exist now."

FMLN'S CAYETANO CARPIO COMMENTS ON FUTURE PLANS

PA020015 Madrid EFE in Spanish 1706 GMT 1 Jan 81

[Text] Havana, 1 Jan (EFE)--Should the revolutionary democratic government take over power in El Salvador, it "will guarantee sovereignty, national independence," and "will support all private businessmen, the small industrialists and the merchants."

The above-mentioned statement was made by Salvador Cayetano Carpio--also known as "Commander Marcial," a member of the Unified Revolutionary Directorate of the Farabundo Marti National Liberation Front of El Salvador [FMLN]--during an interview granted to the magazine VERDE OLIVO, publication of the Revolutionary Armed Forces of Cuba.

He also said that right now "El Salvador is making a supreme heroic effort to build a democratic and revolutionary society, where all progressive individuals will be able to live in peace and enjoy full freedom."

He said that he was filled "with great emotion to see the tremendous, enthusiastic, and dynamic solidarity of the Cuban people."

He also acknowledged "the warm affection and effective support--not only spiritual, but also the willingness to offer moral and material support--to the Salvadoran people through the solidarity of the entire world, represented in the delegations of the 140 countries that attended the great meeting of the Cuban communists."

Commenting on the changes in the Christian Democratic Military junta of El Salvador, he said that the appointment of Jose Napoleon Duarte as president "is just plain patchwork suggested by the State Department which is being led by Carter in his last days, hoping, at least, that the patchwork will hold up during his last month in office."

Commander Macial said that the Salvadorans "do not want U.S. imperialism to intervene. We cannot risk our people's right to self-determination in any negotiations."

He said that "from the beginning, the history of the Central American peoples has been a single one," and "in this sense, the Nicaraguan revolution represents for Central America the beginning of happiness of all peoples; that is, the history of Central America has changed."

Commander Marcial added: "In the case of El Salvador, our struggle is linked, by force and in an objective manner, whether we like it or not, to the struggle of our brothers in Guatemala, Honduras, Nicaragua, Costa Rica and Belize. It is all a single struggle."

He pointed out that "the aspirations of all the Salvadoran revolutionaries, the people, all the democratic, progressive and revolutionary sectors are included in the platform of the revolutionary democratic government, which the FMLN has proclaimed."

He said that "a revolutionary democratic government will guarantee peace, well-being and progress to the people; it will carry out political, economic and social reforms that will ensure a just distribution of wealth; all citizens will enjoy their heritage, health, and the democratic rights of the majorities."

In the international field, it will enforce a "policy of peace and nonalignment; that is, it will join the movement of the nonaligned countries. It will create a new army, a people's revolutionary army."

Commander Marcial concluded his interview saying that "the revolutionary democratic government will support all private businessmen, the small industrialists and merchants, and all of those who promote the development of the country and the application of a revolutionary democratic program."

FDR CALLS FOR WORLD PORT BOYCOTT OF PRODUCTS

PA010313 Havana International Service in Spanish 0000 GMT 1 Jan 81

[Text] The Revolutionary Democratic Front, FDR, of El Salvador has urged port workers throughout the world to refuse to ship products going to that Central American country.

In a news conference held in Mexico City, representatives of the FDR asked the organized labor movement to generalize the port boycott initiated in several U.S. cities to prevent the arrival in El Salvador of the arms that the United States is sending to the military-Christian Democratic regime.

The FDR spokesmen noted that an international action of this nature would further weaken the genocidal regime and would facilitate a general and definite insurrection by the Salvadoran people.

GUATEMALA

ARMY SPOKESMAN NOTES NEED FOR RADAR, WEAPONS

PA012239 Guatemala City Emisoras Unidas in Spanish 1722 GMT 31 Dec 80

[Interview with Maj Edgar Dominguez Lopez, Guatemalan Army spokesman, by reporter Oscar Galiche at the National Defense Ministry, transmitted over the Sercano network--live or recorded]

[Excerpt] [Question] What about certain rumors concerning the mobilization of heavy military vehicles to the southern coastline and what about how the airspace is being controlled since a light plane has sprayed some rust-infested leaves along the coast?

[Answer] Certainly, some of your many listeners have noticed the movement of some armored vehicles along the road to the Pacific. If this has occurred, it was no more than an exercise because we have not deployed such weapons or vehicles to the southern coast.

Regarding the airspace, it is probably now obvious to the people that we have to think that the army and expecially our air force need more weapons and more aircraft to do a good job. Right now, for instance, we need radar equipment. It is impossible to give credit to a telephone report that there is a plane overflying Mazatenango and then send airplanes to search for the plane as if it were a needle in a haystack.

On the other hand, with an effective radar system we could spot any plane in the Guatemalan airspace, identify it and locate it. Until that is possible, our work will really be hurting, so to speak.

HONDURAS

CONSTITUENT ASSEMBLY TAKES 'AUSTERITY MEASURES'

PA311808 Tegucigalpa Radio America in Spanish 1145 GMT 31 Dec 80

[Excerpts] The National Constituent Assembly has adopted severe austerity measures with its approval of the budget.

Beginning in 1981, the Communications, Public Works and Transport Ministry will be placed under strict scrutiny, particularly in the case of bids, through which much squandering has occurred, to the detriment of the public treasury.

A superintendent's office will also be created to watch over the funds of autonomous and decentralized agencies, through which large amounts of public funds have been squandered.

Even the funds of the office of the president of the republic have been reduced in the 1981 budget. The presidential fund was reduced by 3 million lempiras compared to the appropriation for 1980, not counting the fact that the president's draft budget for 1981 included an increase of 19 million lempiras over the 1980 budget.

COMMITTEE TO DELIMIT SALVADORAN BORDER SET UP

PA310454 Tegucigalpa Radio America in Spanish 1953 GMT 30 Dec 80

[Distributed by Inter-Central American Radio Organization]

[Excerpts] The joint Honduran-Salvadoran delimitation committee officially began operating a few days ago with a meeting held in Tegucigalpa to approve its internal regulations.

The establishment of the joint committee is provided for in the general peace treaty signed by the Governments of Honduras and El Salvador on 30 October in Lima, Peru.

CHURCH OFFICIAL CALLS FOR SOCIAL CHANGES

PA301257 Tegucigalpa Radio America in Spanish 1420 GMT 29 Dec 80

[Distributed by Inter-Central American Radio Organization]

[Text] The highest official of the Honduran Catholic Church, Msgr Hector Enrique Santos, noted that the situation currently affecting Central America is the product of institutionalized injustice throughout the area.

The bishop noted that this situation, in which the great majorities have been exploited by a small minority, has triggered violent subversion and massacres that have stained the soil of the area with blood. That is why, the prelate advised, Honduras must examine the present situation with special care and have the courage to move toward social changes, so that the majority of the Hondurans may benefit.

Monsignor Santos affirmed that the Catholic Church in Rome is carefully observing the situation in the Central American countries, which are victims of great injustices. We have received an apostolic and pastoral request, he added, to objectively observe the problems affecting the countries of the area and, through an exhaustive analysis, try to find the proper solutions.

He mentioned that the main function of the church is to teach and practice the Gospel, which is difficult to instill in the hearts of the wealthy and those who wield power.

It is time, Monsignor Santos recommended, for the Hondurans to search their souls, particularly those Hondurans who have excessive material welath, so that they may learn how to treat those who are dependent on them and eliminate any exploitation and oppressive measures, remembering that even the humblest are human beings and must be treated as such.

Monsignor Santos asked that Hondurans analyze the political structures to determine if they conforms to the principles of social justice; otherwise, he warned, Honduras may find itself involved in a situation similar to that presently affecting the Central American area.

The priests try to depict the reality of the country in their daily preachings, so that the Hondurans may become aware of their duties as Christians, concluded Msgr Hector Enrique Santos, the highest official of the Honduran Catholic Church.

NICARAGUA

NATIONAL UNITY COMMITTEE DISCUSSES 1981 PLANS

PA311416 Managua Radio Sandino in Spanish 1700 GMT 30 Dec 80

[News conference granted by the Dr Pedro Joaquin Chamorro Cardenal Committee for the National Unity Rally, featuring Commander Bayardo Arce, president of the committee, at the Managua Press Club; questioners not identified--live or recorded]

[Excerpts] [Announcer] The members of the Committee for the Unity Rally to be held from 2 to 15 January, 1981, are Commander Bayardo Arce, president of the committee and coordinator of the Political Committee of the Sandinist Front's National Directorate. The vice presidents of the committee are Rafael Cordova Rivas and Arturo Cruz, members of the National Reconstruction Government, who for reasons beyond their control are not here today; Companero Gustavo Tablada, representative of the Patriotic Front of the Revolution; and Companero Ernesto Leal, son of Pablo Leal, hero and martyr of 4 April. In addition, representatives of the various mass and labor organizations are also members of the committee, such as Companera Ivonne Siu of the Luisa Amanda Nicaraguan Womens Association; Companero Douglas Guerrero of the 19 July Sandinist Youth; Companero Emilio Caldera of the National Association of Nicaraguan Teachers; Companero Danilo Aguirre, secretary general of the Union of Journalists of Nicaragua; Companera Patricia Orozco of the Sandinist Defense Committee; Companero Sebastian Castro of the Sandinist Workers Federation; and Javier Chamorro Cardenal, Cristiana, Claudia Lucia and Carlos Fernando Chamorro Barrios, the five surviving members of the family of Dr Pedro Joaquin Chamorro Cardenal.

Now, Commander Bayardo Arce will read the committee's proclamation:

[Arce] This proclamation of the organizing committee of the patriotic rally for national unity calls on all the people, the patriotic sectors of the nation, to participate in this rally. This does not mean that unity should exist only for a specific part of the year but that it should be a constant reality of the Nicaraguan revolution and a principle of the revolution. It also marks the importance of those who fell in January.

Because of this, we hope that as part of the general policy of the revolution a special rally will be held again this year to strengthen the foundations of the unity of our nation.

The month of January, a month of solidarity for the great sacrifices of the best children of our country, is a good month to emphasize the patriotic, democratic and revolutionary values of a group of companeros who fell on various occasions during the month of January, carrying on the incorruptible war against Somozism. The tenth of January marks the third anniversary of the physical disappearance of Pedro Joaquin Chamorro, martyr of public freedoms, symbol of rational journalism, firm opponent of the dictatorship, a great Nicaraguan who subordinated his very existence, including his martyrdom, to the defense of his patriotic ideals.

[Announcer] Companero Ernesto Leal will read the program for the patriotic rally for national unity. I wish to note that I forgot to mention among the members of the committee Father Alvaro Arguello, clergy representative.

[Ernesto Leal] The program will begin on 2 January with a pronouncement by the Labor Coordinating Board. On 9 January, there will be a pronouncement by the Sandinist National Liberation Front, FSLN. On 10 January at 0900 hours, there will be a rally at Pedro Joaquin Chamorro Plaza and at noon, there will be a mass to honor the memory of those who fell on 4 April 1954.

[Question] It has been said that 1981 is going to be a difficult year internationally. Could you tell us something about it?

[Arce] It is evident that the international situation during the latter part of 1980 has deteriorated, in part due to the great international economic imbalance, the growing lack of food in the world and the gradual draining of the nonrenewable natural resources, such as oil, which has increased tension throughout the world. The Iraqi-Iranian war has directly affected the industrialized nations and this in turn has indirectly affected us, as import customers of these industrialized nations. In addition, we must consider the activities being carried out in many sectors with the intention of destabilizing the revolutionary process, and also the generalized crisis affecting other peoples, which has driven them into a fight to the death for their freedom, as in the case in El Salvador.

All the above developments obviously point to the dangerous possibility that the international situation may become even more difficult, because in today's world, what effects one country is unavoidably felt one way or another in the other countries. This state of affairs places us, young revolutionaries trying to find our own identity, in a position that could become dangerous should common sense fail to prevail in other governments which are still trying to uphold hegemonic principles that are no longer consistent with the world's reality. As we have already noted, we are aware that the most reactionary forces of imperialism have chosen Nicaragua as an object of their future adventures, and this fact cannot be disregarded by any Nicaraguan who considers himself to be nationalist or patriotic. That is why we believe that if 1980 kept us united, despite the many attempts being carried out to undermine our country, the year 1981 will surely permit a great strengthening of our people's unity so that we may carry on with our revolutionary process.

[Question] In view of the United Fruit Company's threat to leave, what do you think Nicaragua will do?

[Arce] In the first place, there has been no threat to leave. As far as we know, in light of the decision of the National Reconstruction Government to defend the interests of the banana industry workers, with regard to compliance with their collective work contracts, the construction of lodging, wages, and so forth, the nature of the companies that have exploited bananas in Nicaragua had to be modified. In the past they were owned partly by private concerns and partly by the United Fruit. As the state has assumed the role of the national producers in these joint firms, the terms of partnership by this partner, namely the state, are being discussed so that the companies may operate with the understanding that the banana production must benefit its workers. This discussion now underway is strictly a commercial discussion between two partners. A withdrawal from the country, however, has not yet been considered. In fact, we believe that there are other companies in the United States that are engaged in the exploitation of bananas, and there is even a Latin American firm which is already established for that purpose. Therefore, we do not believe this will become a problem; we believe it is merely a business discussion between two partners.

[Question] There are sectors that are determined to find ways of countering this national unity, one being the promotion of our people's religious sentiments. In fact, already this year the traditional 1 January procession has been suspended. In addition, antipatriotic sectors have engaged in the task of trying to accuse the revolution of blocking such a popular demonstration. Could you explain this a little more to our people?

[Arce] The national leadership has already established that religious matters are the concern of the church and its members. We have nothing to do with religious activities. We respect what they do and support whatever activity they carry out in the interest of the people and nothing else.

[Question indistinct]

[Father Alvaro Arguello] This is a task for you all to clarify, for you know the facts. The 1 January men's procession through the city of Managua cannot be held this year.

By instructions from Monsignor Obando, each parish may hold its own procession or several parishes may hold one jointly. The reasons revealed by Monsignor Obando were first, that he was not going to be present and second, that on several occasions political motives had been introduced into these religious activities. These were the two reasons he gave.

The fact is that many parishes in Managua are organizing the procession as an occasion to express that great Christian duty, which is the solidarity with all the peoples struggling for their liberation. It is a religious expression of charity and Christian love.

Monsignor Obando's decision no doubt has been misinterpreted and it has been said that the governing junta and the Sandinist Front have actually banned the procession, which is not true. That is why I say that it is up to you to clarify this. To explain to the people that it was a decision made by Monsignor Obando. You may even ask them how they want to express their religious sentiments, because the conditions exist in Nicaragua for the Nicaraguan people to freely express their religious sentiments.

[Question] Has the government established a deadline for these gentlemen [of the Higher Council of Private Enterprise] to join the revolutionary process?

[Arce] We are always open to that.

[Question] Commander, one of the arguments being publicly and privately used against national unity and against investments is that if the private sector works hard and makes enterprises flourish in the framework of the revolution, the revolution will later confiscate them, once the enterprises are prosperous. They are saying this in order to halt investments and attack national unity.

[Arce] This represents a danger for them. What will happen is that the effect will be the opposite. We have said that if a private industry or farm reduces its production because of a decision from the owner and workers lose their jobs, then the government will intervene in that industry or farm. Then we would really intervene. However, if they are prosperous, what would be the reason for intervening?

They must clearly understand something, and this is what really scares them, but since they are not honest, they won't admit it. Now they will not make as much profit as they did before. They must pay the social cost of this revolution with their taxes. In social terms, this is an expensive revolution. It is expensive to keep 1 million Nicaraguans in school.

[Question] [Words indistinct] banana company withdrawing?

[Arce] It is not that it is withdrawing. We are negotiating. They had some partners who were private producers whose ties have been ended and with whom some arrangements have been made. Now we are assuming state control over what was owned by these private producers, so now there are not a lot of small partners but one partner, the state, which is discussing the terms of this mixed enterprise in which they have a part and we, the state, the other part.

You know what business is like. They are making efforts to come out the best they can and we are doing likewise. Why did we get involved in that? Because they [the banana company] were not fulfilling their commitments regarding housing, salaries and so forth. Did we become involved to maintain the status quo? With the business agreement which has been reached, under the present partnership we must guarantee housing and salaries to the workers. This has resulted in negotiations that we believe could conclude positively. As businessmen, they have to use their muscles. The United Fruit Company and other U.S. companies are dedicated to this.

HAVANA AIRS COMMENTARIES ON CENTRAL AMERICA

Salvadoran Struggle

PA010321 Havana International Service in Spanish 2310 GMT 31 Dec 80

["Our America" commentary]

[Text] Several departments in El Salvador, notably Chalatenango, since 25 December have been experiencing a fierce offensive by the guerrilla units of the Farabundo Marti National Liberation Front [FMLN[, vanguard of the Salvadoran people in their heroic struggle for liberation and real national independence. Although the genocidal military-Christian Democratic tyranny insists that it is in control of the situation and that it has killed many guerrillas, the facts show that such remarks by spokesmen for the Salvadoran Armed Forces are not true.

If the revolutionary combatants had been defeated, it would make no sense for combined army and air forces to continue urgently moving, as they are doing, to Chalatenango, Cuscatlan and Morazan, the three departments where the current guerrilla offensive by the Salvadoran patriots is being concentrated.

Furthermore, Commander Carlos Torres, member of the FMLN joint general staff, said just a few days ago that the guerrillas of that united political-military organization are in control of 25 percent of the Salvadoran territory and that is not just a matter of areas liberated in the aforementioned departments but also vast parts of San Vicente, Usulutan, Cabanas, Santa Ana, San Miguel and even parts of the capital, San Salvador.

Torres also reported the urgent supply of weapons that the Venezuelan Government is sending to the Salvadoran Government and the U.S. decision to increase military aid to the bloody Salvadoran tyranny, responsible for killing 10,000 people in the year that is now coming to an end.

The guerrilla commander added that films are available which show that, along with military advisers from the United States and Venezuela, many other advisers are in El Salvador who come from Argentina, Chile and Uruguay, nations where despotic regimes which violate human rights and fundamental freedoms also rule.

But not even genocide or the counterrevolutionary support that the Salvadoran military-Christian Democratic junta is receiving, with the added support of the military tyrannies in Guatemala and Honduras, can curtail the struggle of the revolutionary forces in Agustin Farabundo Marti's homeland. The Salvadoran revolutionary vanguard has already reiterated the imminence of the decisive battles against the regime and it has called on all the people to prepare for the final offensive with the aim of defeating the dictatorship as soon as possible and thus sparing the nation suffering and pain.

An FMLN communique has stated that the preparations are underway to plunge the warring, seasoned revolutionary people's army units, the guerrillas and militias, and the organized mass forces into the decisive battles for the popular victory and the establishment of the democratic revolutionary government. Current events in El Salvador are indicative that this Central American nation is experiencing times crucial for the people.

In view of the nonstop advance of the people's struggle, one must be alert and denounce every effort of imperialist intervention whether direct or through flunky regimes in the area. Therefore, international solidarity, especially that of the Latin American and Caribbean brothers, with the heroic Salvadoran people must be enhanced.

Sandinist Achievements

PA020302 Havana International Service in Spanish 2310 GMT 1 Jan 81

["Our America" commentary]

[Text] As part of the hostile defamation campaign against revolutionary Nicaragua, continental imperialism and reaction were forecasting a veritable economic disaster in that Central American country during 1980. However, figures provided by the news agency PRENSA LATINA from Managua tears to shreds these ill-intentioned forecasts by those who would once more like to see Nicaragua under the misgovernment of some proimperialist dictatorship.

It is worthwhile to note that the main goal of the young leaders of the Nicaraguan revolutionary process is the reactivation of the economy. That is, to achieve the productive levels of 1978 as soon as possible. This is a difficult goal because the liberation war waged in 1979 affected major sectors of the economy, which had already been devastated by 40 years of squandering the Somoza clan.

In 1980, the gross national product increased 14 percent over the previous year. According to the annual statistics of the UN's economic commission for Latin America, this growth rate is the largest for the continent in the past 12 months.

As 1980 drew to a close, 130,000 Nicaraguans had something they lacked at the beginning of the year: a job. The creation of new sources of employment is one of the main concerns of the Nicaraguan Government of National Reconstruction.

During 1980, inflation, a scourge to the majority of the peoples of Latin America and the Caribbean, also dropped in Nicaragua to 35 percent, after having passed the 60-percent mark during the preceding year.

The rulers of the new Nicaragua also rapidly obtained the confidence of the international financial circles. This made it possible for them to obtain large credits with very favorable terms and to renegotiate the vast foreign debt they inherited from Somozism.

In the productive sector, signs of economic recovery are evident in the agricultural and livestock fields, which provide the major export items and are, therefore, a major source of foreign exchange.

The production of coffee, beef, sugar, seafood and gold, key items in Nicaraguan foreign trade, have already reached the 1978 levels and conditions have been created for substantial increases in 1981.

The most noteworthy thing about these victories of the Nicaraguan revolution in the economic field is that they were accompanied by important achievements in the education, public health, and cultural sectors, in which large sums of money were invested. These victories were also achieved in spite of the destabilization campaigns by certain groups of antipatriotic businessmen and the fact that a great deal of effort has had to be diverted to improve the combat readiness of the Sandinist militia and armed forces in the face of persistent threats of foreign aggression against Nicaragua.

Nevertheless, it is clear to the Sandinist leaders that there is still a long way to go on the road toward complete reactivation of the economy and they, in turn, with all sincerity, have so warned the people. They have asked the people for dedication in 1981 to overcome the difficulties the nation is facing in the economic field.

Commander of the Revolution Bayardo Arce said that in 1981 the reactivation phase must be completed so that in 1982 the true process of economic development can begin, to set the bases for the new Nicaragua.

DOMINICAN REPUBLIC

FORMER PRD LEADER: GUZMAN WILL NOT BE REELECTED

FL221845 Santo Domingo Radio Mil Network in Spanish 1000 GMT 22 Dec 80

[Text] In the opinion of Professor Pablo Rafael Casimiro Castro, former leader of the Dominican Revolutionary Party [PRD], President Antonio Guzman will not be reelected. Casimiro Castro argued that there is no possibility, either inside or outside the PRD, that Guzman will be reelected. Casimiro Castro added: Now then, in case Don Antonio manages to get renominated at the PRD national convention, it would be a pipe dream to think that the people will vote for the current president of the republic. He noted that neither the top leadership of the PRD nor Dr Jose Francisco Pena Gomez will allow the head of state to be reelected.

Likewise, Professor Pablo Rafael Casimiro Castro said that he came back from Cuba firmly determined to fight on behalf of the people and against reelection maneuvers. The former PRD organization secretary said that the country wants President Antonio Guzman to serve his 4-year term and does not want the democratic process the people chose on 16 May 1978 to be interrupted. [passage indistinct]

JAMAICA

MANLEY ACCEPTS CANADIAN RESEARCH FELLOWSHIP

FL311136 Kingston Domestic Service in English 1100 GMT 31 Dec 80

[Text] A $60,000 Canadian fellowship to do research work is to be taken up by opposition leader Michael Manley early in the new year. Mr Manely pointed out that his taking up of the fellowship offer of the International Development Research Center would in no way affect his leadership of the People's National Party [PNP]. According to him, the fellowship, which is for 1 year, would not (?affect) his political activities as leader of the PNP.

Mr Manley said the research work involved would be the basis for a full book by him, this time on the subject of the Third World and the new international economic order. Mr Manley said that he has already discussed with the executives of the party the question of his taking up the fellowship and has their approval to go ahead.

SMALL URGES FIRM STAND ON IMF LOAN CONDITIONS

FL240008 St George's Domestic Service in English 2330 GMT 23 Dec 80

[Text] Former Finance Minister in Jamaica Hugh Small has urged the new Jamaican Government to stand firm against any pressure from the International Monetary Fund to devalue the Jamaican dollar in exchange for balance of payments loans.

The PNP [People's National Party] senator also called on the government to ensure the preservation of jobs of public sector workers and to enter (?into) dialogues with trade unions before reaching any agreement with the fund.

Mr Small told the Senate that the period 1977 to '79 was one of difficulties and uncertain experiences for the former government in its dealings with the IMF. Yet, he said, the present government led by Prime Minister Seaga was willing to negotiate a new agreement which he said would attach the usual harsh guidelines.

Jamaica's 7-week-old administration is now in exploratory talks with the IMF for a 600-million U.S. dollar loan agreement.